

India presented a plan for the elimination of residual quantitative restrictions on imports maintained for safeguarding the balance of payments in May 1997 to the WTO Committee on Balance of Payments Restrictions. The WTO Committee on Balance of Payments Restrictions resumed its consultations with India on 10-11 June 1997. At the meeting, India's plan for elimination of quantitative restrictions over a 9 year period in three phases of three years each starting 1 April 1997 was discussed. The IMF presented a report indicating that in its assessment India's balance of payments position continued to be comfortable and reiterated the views expressed in the January 1997 meeting. India advocated the need for a cautious approach to dismantling of quantitative restrictions. Since no consensus could be reached at these consultations, the Chairman of the Committee, after taking note of the flexibility and readiness to make constructive proposals on both sides, proposed a period of reflection and accordingly suspended the meeting till 30 June-1 July 1997.

At the resumed consultations on 30 June 1997 India presented a revised plan which envisaged elimination of most of the quantitative restrictions in two phases of three years each, with only a very small number of products of high sensitivity retained for elimination of quantitative restrictions in the third phase of one year. However divergence of views on the length of the plan and on the number of tariff lines to be freed during the earlier years of the phase out period persisted, as the developed countries wanted heavy frontloading of the items in the time schedules. The resumed consultations concluded without consensus on the plan on 30 June-1 July 1997.

Australia, Canada, the EC, New Zealand, USA and Switzerland have since then separately sought formal consultations with India under the provisions of the Understanding on the Procedures Governing the Settlement of Disputes in the WTO, alleging that the maintenance of quantitative restrictions of imports of safeguarding the balance of payments by India is inconsistent with India's obligations under the WTO. India has accepted the requests for consultations. Under the dispute settlement provisions, India is required to enter into consultations in good faith within a period of no more than 30 days after the date of receipt of the request, or a period otherwise mutually agreed, with a view to reach a mutually satisfac-

tory solution. If the consultations fail to settle the dispute within 60 days after a date of receipt of the request for consultations, the complainants would have the option of seeking the establishment of a dispute settlement panel in the WTO to examine their complaints. The complaining party may request a panel during the 60 day period also, if the consulting parties jointly consider that consultations have failed to settle the dispute.

Import of Rough Ophthalmic Blanks

573. SHRI KODIKUNNIL SURESH: Will the Minister of FINANCE be pleased to state:

(a) whether Directorate of enforcement (FERA) are aware that the importers of Delhi and Mumbai have been importing Rough Ophthalmic Blanks (ORB) from China on the basis of highly under invoiced value at ICD-TKD/Patparganj by transferring the difference between the actual and invoiced price by way of Hawala transactions to their suppliers;

(b) if so, whether the SIIB, Customs, New Delhi have established such few cases where the invoice value has been under-invoiced by 233.28 per cent thereby evading the customs duty to tune of Rs. 55,80,213/- only on 7B/E's from March, 1996 to May, 1996;

(c) the details of the importers involved in such cases;

(d) whether after detecting such a big Hawala case, it has been referred to FERA and CBI;

(e) if not, the reasons and justification therefor; and

(f) if so, the progress made in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (f) Delhi Custom House has detected 8 cases of under-valuation in relation to import of Rough Ophthalmic Blanks by an importer from Delhi, involving a duty amount of Rs. 57.48 lakhs. Out of these, 4 cases relate to the period March, 1996 to May, 1996 involving duty of Rs. 34.60 lakhs. The details of the 8 cases are given in the attached statement. The Directorate of Enforcement has been informed about these cases and the same are under investigation by that Directorate.

Statement

S.No.	E.E. No. & Date	Declared Value	Proposed Value	Difference of duty	Name of the Importer
1	2	3	4	5	6
1.	109497 Dt. 4.10.96	6,49,636/-	9,68,557/-	1,65,839/-	Indian Optics (P) Ltd., 111, Model Basti, New Delhi-5.
2.	104437 Dt. 6.5.96	4,97,914/-	8,88,348/-	1,95,216/-	-do-
3.	107668 Dt. 21.8.96	7,27,176/-	11,95,343/-	2,43,446/-	-do-

1	2	3	4	5	6
4.	103994 Dt. 20.4.96	7,20,216/-	12,50,828/-	2,65,306/-	-do-
5.	109120 Dt. 23.9.96	7,75,653/-	12,44,755/-	2,43,933/-	-do-
6.	109038 Dt. 21.9.96	10,83,220/-	46,60,665/-	16,34,016/-	-do-
7.	102630 Dt. 13.3.96	10,34,478/-	34,42,166/-	12,08,844/-	-do-
8.	102631 Dt. 13.3.96	15,39,506/-	51,21,944/-	17,91,219/-	-do-
Total				57,47,819/-	

Car Unit in Andhra Pradesh

574. DR. T. SUBBARAMI REDDY:

SHRIMATI LAKSHMI PANABAKA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have received any proposal from the Malaysian based Proton Car Company to set up their unit in Andhra Pradesh as a joint venture;

(b) If so, the details thereof alongwith the time by which the said project is likely to be set up; and

(c) the total expenditure involved in this project?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No proposal has been received from Malaysian based Proton Car Company to set up a joint venture unit in Andhra Pradesh, or elsewhere in the country.

(b) and (c) Do not arise.

Closure of Banks due to Bankruptcy

575. VAIDYA DAU DAYAL JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether many banks have been closed down during the last five years on account of being bankrupt;

(b) If so, the names those banks closed down due to bankruptcy and the amount thereof in each case;

(c) whether the Central Bank claiming excellency throughout India is also on the verge of bankruptcy due to misbehaviour/misconduct; and

(d) If so, the action taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) have reported that no bank has been closed down during the last five years on account of being bankrupt. However, four banks have been amalgamated with public sector banks and one bank has been placed under liquidation during the last five years. The details of five banks are as under:

1. New Bank of India (merged with Punjab National Bank on 3.8.93).

2. Kashi Nath Seth Bank Ltd. (amalgamated with State Bank of India on 1.1.96)

3. Bank of Karad Ltd. (Placed under liquidation on 27.5.92)

4. Punjab Co-Operative Bank Ltd. (amalgamated with Oriental Bank of Commerce on 8.4.97)

5. Bari Doab Bank Ltd. (amalgamated with Oriental Bank of Commerce on 8.4.97)

(c) and (d) RBI have reported that Central Bank of India has been identified as one of the weak banks on the basis of the performance as on 31st March, 1996. With a view to improving the performance of the bank, RBI/ Central Bank of India have initiated the following steps:

1. RBI appointed KMPG Peat Marwick, Consultants to suggest turnaround strategy for the bank.

2. RBI advised Central Bank of India to formulate its financial projections upto the year 1999-2000 in the context of turn around strategies.

3. Central Bank of India have constituted a Core change Management Group consisting of General Managers under the Chairmanship of bank's Executive Director to evolve strategies and oversee the implementation of its turn-around strategies.

4. Central Bank with a view to working out the medium and long term strategies has appointed ICRA in December, 1996 for improving the yield on investment portfolio, rationalisation of organisational structure and expenditure control.

5. RBI are monitoring the bank's performance periodically. During 1996-97 Central Bank of India reported a net profit of Rs. 150.83 crores.

Legal Administration

576. SHRI SANDIPAN THORAT: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) the steps taken/proposed to be taken by the